



THE ASSISTANT SECRETARY OF THE NAVY  
(Research, Development and Acquisition)  
WASHINGTON, D.C. 20350-1000

MAR 131995

MEMORANDUM FOR THE DISTRIBUTION LIST

Subj: INTEGRATED BASELINE REVIEWS

In January 1994 PDUSD(A&T) required implementation of integrated baseline reviews for the purpose of improving cost and schedule performance management. In the interim, I have relied upon program managers and the system command cost/schedule performance management support offices to develop integrated baseline review processes to achieve the PDUSD(A&T) goals. I am very pleased with your progress during accomplishment of approximately a dozen integrated baseline reviews in 1994. Building upon your initial accomplishments, the purpose of this memorandum is to explicitly establish the integrated baseline review requirement as Navy acquisition policy.

The objective of integrated baseline reviews is to ensure that contractors have established reliable contract performance measurement baselines which are the underpinning of effective earned value management systems. To accomplish this review objective, program managers and their technical staffs are responsible for verifying that the contractor's performance measurement baseline includes the entire contract technical scope of work consistent with contract schedule requirements, and has adequate resources assigned. Program managers must ensure that the contract statement of work for all contracts requiring Cost/Schedule Control Systems Criteria specify that an integrated baseline review will be conducted within six months of contract award. I encourage program managers to document review lessons learned, and to provide them to their system command cost/schedule performance management support office.

System command cost/schedule performance management support offices will work closely with program managers in planning and conducting integrated baseline reviews. In addition, they will provide review team training and act as a repository for review lessons learned.

I strongly endorse the use of earned value as a management tool for integrating cost, schedule and technical performance. I view integrated baseline reviews as instrumental in the effective use of earned value by **both government and industry program managers.**

*Thanks for your effort!*  
*Nora Slatkin*

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